

May 31

Dividend 15 Split Corp.

2006 *Semi-Annual Report (unaudited)*



This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

Semi-Annual Management Report of Fund Performance

May 31, 2006

This is the **Semi- Annual Management Report of Fund Performance (MRFP)** for the period ended May 31, 2006. This management report of fund performance for contains financial highlights but does not contain the complete financial statements of the Company. The semi-annual financial statements and accompanying notes are attached to this report.

Investors may also obtain a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by visiting our website at www.dividend15.com or by writing to the Fund at Investor Relations, Royal Trust Tower, 77 King Street West, P.O. Box 341, Toronto, Ontario, M5K 1K7.

These reports are available to view and download at www.dividend15.com or www.sedar.com.

Investment Objectives and Strategies

Dividend 15 Split Corp. invests in a portfolio of dividend yielding common shares, which will include each of the 15 Canadian companies listed below:

Bank of Montreal	National Bank of Canada
The Bank of Nova Scotia	Royal Bank of Canada
BCE Inc.	TELUS Corporation
Canadian Imperial Bank of Commerce	The Thomson Corporation
CI Financial Inc.	The Toronto-Dominion Bank
Enbridge Inc.	TransAlta Corporation
Falconbridge Limited	TransCanada Corporation
Manulife Financial Corp.	

The Company may also invest up to 15% of the Net Asset Value in equity securities of issuers other than the 15 companies listed above. In order to supplement the dividends received on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of some or all of the common shares of the portfolio.

The Company offers two types of shares:

Preferred Shares

The investment objectives with respect to the Preferred Shares are as follows:

1. to provide holders with fixed cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield 5.25% per annum on the original issue price; and
2. on or about December 1, 2009 (the termination date) to pay holders the original issue price (\$10) of the Preferred shares.

Class A Shares

The investment objectives with respect to the Class A shares are as follows:

1. to provide with regular monthly cash dividends initially targeted to be \$0.10 per Class A shares to yield 8% per annum on the original issue price; and
2. on or about December 1, 2009 (the termination date), to pay holders at least the original issue price (\$15) of those shares.

Risk

The risks of investing in the Company remain as discussed in the Annual Information Form dated March 29, 2006.

Results of Operations

The Company exceeded its distribution objectives during the first six months of 2006. In addition to the regular distributions paid, the Class A shares received a special distribution of 25 cents in the month of May. The net asset value per unit (after all distributions paid) increased by 33 cents to \$28.11 as at May 31, 2006. At May 31, 2006, the Company's portfolio remained primarily invested in the 15 core Canadian large capitalization stocks which rank among the highest dividend yielding stocks on the TSX. The dividend income in the portfolio was supplemented by a limited covered call writing program which provided some additional income to the portfolio and also some downside protection to the portfolio.

Distributions

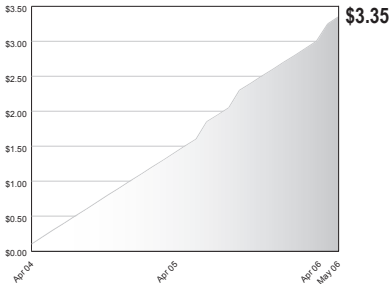
Class A Shares – Distributions

Class A shareholders are entitled to receive regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield 8.0% per annum on the original issue price. Distributions paid during the year included the six regular monthly cash distributions plus a special distribution of \$0.25 per share for a total of \$0.85 per share.

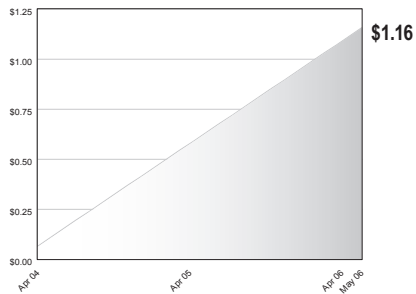
Preferred Shares – Distributions

Preferred shareholders are entitled to fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield 5.25% per annum on the original issue price. Distributions paid during the six month period were at the fixed rate for a total of \$0.2625 per share.

Cumulative Distributions since inception



Cumulative Distributions since inception



Recent Developments

None

Related Party Transactions

None

Management fees

The Investment Manager is entitled to a base management fee payable monthly in arrears at an annual rate equal to 0.65% of the Company's Net Asset Value calculated as at the last Valuation Date in each month

The Manager is entitled to an administration fee payable monthly in arrears at an annual rate equal to 0.1% of the Company's Net Asset Value calculated as at the last Valuation Date in each month.

Total management fees of \$1,030,476 paid for the year ended May 31, 2006 include the base management fee and the administration fee. The base management fee was used by the Investment Manager to pay costs for the managing of the investment portfolio, providing investment analysis and recommendations, making investment decisions, making brokerage arrangements for the purchase and sale of securities including the covered call writing program. The administration fee was used to provide or arrange administrative services required by the Company, which includes all operational requirements, financial accounting, shareholder reporting and all regulatory reporting requirements.

Summary of Investment Portfolio

All holdings as at May 31, 2006

CI Financial Inc.	9.1	%
Canadian Imperial Bank of Commerce	7.6	%
TransAlta Corp.	6.6	%
BCE Inc.	6.3	%
AGF Management Ltd. NV	6.3	%
Thomson Corp.	5.2	%
National Bank of Canada	5.2	%
Bank of Montreal	4.6	%
Royal Bank of Canada	4.6	%
Manulife Financial Corp.	4.3	%
TransCanada Corp.	3.9	%
Toronto-Dominion Bank	3.8	%
Falconbridge Limited	3.8	%
Sun Life Financial Inc.	3.8	%
Telus Corporation	3.6	%
Enbridge Inc.	3.3	%
Bank of Nova Scotia	3.1	%
Telus Corporation	0.9	%
Total long positions as a percentage of net assets	86.0	%
Other net assets	14.0	%

The summary of investment portfolio may change due to ongoing portfolio transactions of the investment fund. Updates are available quarterly.

Financial Highlights

The following tables show selected financial information about the Company and are intended to help you understand the Company's financial performance for the six month period ended May 31, 2006 and for each 12 month period ended November 30 since inception. This information is derived from the Company's audited annual financial statements.

The Company's Net Asset Value (NAV) per unit

	Six months ended	Periods ended Nov 30	
	May 31, 2006	2005	2004 ⁽²⁾
Net asset value per unit, beginning of year ⁽¹⁾	27.78	24.53	23.74 ⁽³⁾
Increase (decrease) from operations			
Total revenue	0.36	0.78	0.45
Total expenses	(0.21)	(0.97)	(0.21)
Realized gains for the period	1.13	1.59	0.19
Unrealized gains for the period	<u>(0.39)</u>	<u>4.07</u>	<u>1.53</u>
Total increase (decrease) from operations ⁽⁴⁾	<u>0.89</u>	<u>5.48</u>	<u>1.96</u>
Distributions ⁽⁵⁾			
Taxable Dividends	(0.26)	(0.71)	(0.97)
Capital Gains	<u>(0.85)</u>	<u>(1.51)</u>	<u>(0.20)</u>
Total annual distributions	<u>(1.11)</u>	<u>(2.22)</u>	<u>(1.17)</u>
Net asset value per unit, at end of period	28.11	27.78	24.53
Net asset value per Preferred share	10.00	10.00	10.00
Net asset value per Class A share	<u>18.11</u>	<u>17.78</u>	<u>14.53</u>
Net asset value per unit, at end of period	28.11	27.78	24.53

⁽¹⁾ Net asset value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding the Preferred shares of the Fund on that date divided by the number of units then outstanding

⁽²⁾ Initial period was from March 16, 2004 to November 30, 2004

⁽³⁾ Initial net asset value per unit is after deducting all agents' fees and filing costs in connection with the initial public offering

⁽⁴⁾ Total increase (decrease) from operations is before the payment of Preferred and Class A share distributions and is calculated based on the weighted average number of units outstanding during the year

⁽⁵⁾ Distributions are to Preferred shares and Class A shares are based on the number of Preferred shares and Class A shares outstanding on the record date for each distribution and were paid in cash. Characterization of distributions is based on the tax treatment that is received by investors.

Ratios And Supplemental Data

	Six months ended	Periods ended Nov 30	
	May 31, 2006	2005	2004 ⁽¹⁾
Net assets (millions)	\$270.3	\$233.3	\$206.0
Number of units outstanding ⁽²⁾	9,615,000	8,400,000	8,400,000
Base Management expense ratio ⁽³⁾	1.51%	1.30%	1.25%
Management expense ratio including one time initial offering expenses ⁽⁴⁾	2.19%	1.30%	6.58%
Management expense ratio with performance fee and one time initial offering expenses ⁽⁵⁾	2.19%	3.72%	6.58%
Portfolio turnover rate ⁽⁶⁾	12.9%	17.6%	7.2%
Trading expense ratio ⁽⁷⁾	0.02%	0.05%	0.12%
Closing market price (TSX):			
Preferred shares	\$10.56	\$10.90	\$10.68
Closing market price (TSX):			
Class A shares	\$16.51	\$18.40	\$13.77

⁽¹⁾ Results for the period March 16, 2004 (inception) to November 30, 2004

⁽²⁾ This information is at May 31 or November 30 as applicable

⁽³⁾ A separate base management expense ratio has been presented to reflect the normal operating expenses of the Fund excluding the one time initial offering expenses and performance fees. Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of average net assets during the period

⁽⁴⁾ Share issue expenses, representing all Agents' fees and other offering expenses are one time initial expenses connected with the launch of the Company

⁽⁵⁾ Performance fees occur in periods in which the total return per unit exceeds a pre established threshold

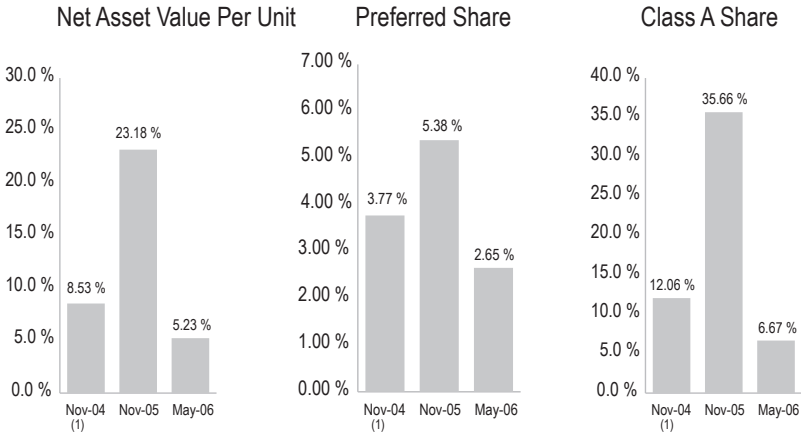
⁽⁶⁾ The Company's portfolio turnover rate indicates how actively the Company's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The Company employs a covered call writing strategy which can cause the portfolio turnover rate to be higher than conventional mutual funds

⁽⁷⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net assets during the period.

Past Performance

The past performance of (1) the net asset value per unit (1 Preferred share and 1 Class A share), (2) the Preferred share on net asset value basis, and (3) the Class A share on a net asset value basis for the six month period ended May 31 and for each 12 month period ended November 30 since inception are presented in the bar charts below. In respect to the charts displayed below, please note the following:

- the performance information shown assumes that all cash distributions made by the Company during the periods shown were reinvested in the applicable additional securities of the Fund;
- the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and
- past performance of the Company does not necessarily indicate how it will perform in the future.



⁽¹⁾ Based on initial period from March 16, 2004 (inception date) to November 30, 2004

Dividend 15 Split Corp.

Statements of Financial Position

As at May 31, 2006 (unaudited) and November 30, 2005 (audited)

	May 31, 2006	November 30, 2005
Assets	(\$)	(\$)
Investments* - at market value	232,567,916	222,899,883
Cash	39,049,393	9,450,201
Interest, dividends and other receivables	514,241	501,771
Receivable in respect to investments sold	20,700	7,326,156
Total Assets	<u>272,152,250</u>	<u>240,178,011</u>
Liabilities		
Fees and other accounts payable	461,800	309,217
Accrued performance fee	-	5,314,680
Dividends payable	1,382,156	1,207,500
Preferred shares (note 3)	96,150,000	84,000,000
	<u>97,993,956</u>	<u>90,831,397</u>
Shareholders' Equity		
Class A and Class B shares (note 4)	135,744,225	115,421,000
Contributed surplus	911,250	-
Retained earnings	37,502,819	33,925,614
	<u>174,158,294</u>	<u>149,346,614</u>
Total Liabilities & Shareholders' Equity	<u>272,152,250</u>	<u>240,178,011</u>
*cost \$183,444,461; \$175,768,908 (November 30, 2005)		
Number of units (1 Preferred share and 1 Class A share) outstanding	9,615,000	8,400,000
Net asset value per unit	\$28.11	\$27.78
Net asset value per Preferred share	\$10.00	\$10.00
Net asset value per Class A share	\$18.11	\$17.78

Approved on behalf of the Board of Directors



Wayne Finch
Chairman and
Chief Investment Officer



Peter Cruickshank
Managing Director and
Chief Financial Officer

Dividend 15 Split Corp.

Statements of Operations and Retained Earnings

For the six month period ending May 31 (unaudited)

	2006 (\$)	2005 (\$)
Income		
Dividends	3,417,684	3,263,620
Interest	44,968	10,977
	<u>3,462,652</u>	<u>3,274,597</u>
Expenses (note 5)		
Management fees	1,030,476	801,925
Service fees	322,577	225,213
Directors' fees	21,000	21,000
Custodian fees	26,070	22,900
Legal fees	8,592	2,108
Shareholder reporting costs	35,731	1,521
Other operating expenses	121,713	116,893
Capital tax	26,507	215
Goods and services tax	459,078	67,647
	<u>2,051,744</u>	<u>1,259,422</u>
Net investment income before distributions on Preferred shares	1,410,908	2,015,135
Distributions on Preferred shares (note 3 and 6)	(2,520,655)	(2,205,000)
Net investment (loss) for the year	(1,109,747)	(189,865)
Realized and unrealized gain (loss) on investments and options		
Net realized gain on investments and options	10,859,724	1,738,009
Change in unrealized appreciation of investments	1,992,479	12,760,187
Change in unrealized appreciation of foreign exchange	-	29,495
	<u>12,852,203</u>	<u>14,527,691</u>
Net gain on investments and options for the period	12,852,203	14,527,691
Increase in net assets from operations for the period	11,742,456	14,337,826
Retained earnings - Beginning of period	33,925,614	6,641,694
Distributions on Class A shares (note 4 and 6)	(8,165,251)	(5,040,000)
Retained earnings - End of period	37,502,819	15,939,520
Increase in net assets from operations per Class A share	1.22	1.71

Dividend 15 Split Corp.

Statements of Changes in Shareholders' Equity

For the six month period ending May 31 (unaudited)

	2006 (\$)	2005 (\$)
Shareholders' equity - Beginning of period	149,346,614	122,062,694
Increase in net assets from operations	11,742,456	14,337,826
Gross proceeds from issue of Class A shares	22,173,750	-
Agents' fees and filing costs in connection with the initial public offering	(1,850,525)	-
Net proceeds from issue of Class A shares (note 4)	20,323,225	-
Contributed surplus	911,250	-
Distributions on Class A shares		
From net realized gains	(8,165,251)	(1,548,144)
From return of capital	-	(3,491,856)
	(8,165,251)	(5,040,000)
Increase in net assets for the period	24,811,680	9,297,826
Shareholders' equity - End of period	174,158,294	131,360,520

Dividend 15 Split Corp.

Statements of Cash Flow

For the six month period ended May 31 (unaudited)

	2006 (\$)	2005 (\$)
Cash flow from Operating activities		
Net investment (loss)	(1,109,747)	(189,865)
Proceeds from sale of investments	33,205,356	14,775,621
Purchase of investments	(30,021,186)	(7,088,462)
Net change in receivable balances	7,292,986	99,750
Net change in payable balances	(4,987,441)	(115,053)
Change in unrealized appreciation (depreciation) of foreign exchange	-	29,495
Cash flow from operations	4,379,968	7,511,486
Cash flow from Shareholder activities		
Gross proceeds from the issue of Class A shares and Preferred shares*	34,323,750	-
Contribution surplus	991,250	-
Agents' fee and filing costs in connection with the secondary public offering	(1,850,525)	-
Distributions on Class A shares	(8,165,251)	(5,040,000)
Cash flow from Shareholder activities	25,219,224	(5,040,000)
Net increase in cash	29,599,192	2,471,486
Cash, beginning of period	9,450,201	8,437,694
Cash, end of period	39,049,393	10,909,180

*includes 1,000 Class B shares

Dividend 15 Split Corp.

Statement of Portfolio Investments

As at May 31, 2006 (unaudited)

No. of shares	Description	Average cost/ (Premiums received) (\$)	Market value(\$)
	Core 15		
	Canadian Common Equities		
200,800	Bank of Montreal	11,195,252	12,451,608
191,600	Bank of Nova Scotia	7,155,303	8,464,888
645,200	BCE Inc.	17,940,703	17,130,060
255,000	Canadian Imperial Bank of Commerce	17,923,810	20,560,650
796,400	CI Financial Inc.	15,094,242	24,712,292
255,500	Enbridge Inc.	6,563,216	8,827,525
188,200	Falconbridge Limited	4,170,575	10,303,950
322,000	Manulife Financial Corp.	9,958,768	11,672,500
227,400	National Bank of Canada	10,169,793	13,941,894
273,800	Royal Bank of Canada	9,170,305	12,321,000
53,900	Telus Corporation	1,317,316	2,468,620
220,000	Telus Corporation Non-Voting	4,878,950	9,757,000
303,300	Thomson Corp.	12,708,236	14,103,450
173,000	Toronto-Dominion Bank	8,423,387	10,333,290
766,700	TransAlta Corp.	13,487,002	17,864,110
311,600	TransCanada Corp.	9,207,983	10,438,600
	Total Core Canadian Common Equities (88.3%)	159,364,841	205,351,437
	Other Canadian Common Equities		
798,700	AGF Management Ltd.	15,882,040	17,084,193
225,200	Sun Life Financial Inc.	8,314,843	10,174,536
	Total Other Canadian Common Equities (11.7%)	24,196,883	27,258,729
	Total Canadian Common Equities	183,561,724	232,610,166
No. of Contracts	Call Options written (100 shares per contract)		
	Canadian call options written		
(200)	Bank of Nova Scotia, July 2006 @ \$46	(6,700)	(7,000)
(200)	Canadian Imperial Bank of Commerce, June 2006 @ \$85	(22,400)	(3,000)
(250)	Canadian Imperial Bank of Commerce, July 2006 @ \$85	(14,000)	(15,000)
(400)	Manulife Financial Corp., June 2006 @ \$37	(21,800)	(12,000)
(275)	Royal Bank of Canada, June 2006 @ \$49	(17,463)	(2,200)
(350)	Sun Life Financial Inc., June 2006 @ \$48	(14,350)	(1,400)
(300)	Toronto-Dominion Bank, June 2006 @ \$64	(20,550)	(1,650)
	Total call options written (0.0%)	(117,263)	(42,250)
	Total Investments (100%)	183,444,461	232,567,916

The Statement of Portfolio Investments is at May 31, 2006 and may or may not be indicative of the current portfolio.

Dividend 15 Split Corp.

Notes to Financial Statements

For the six month period ending May 31, 2006 and 2005 (unaudited)

1. Incorporation

Dividend 15 Split Corp. (the "Company") is a mutual fund corporation established under the laws of the Province of Ontario on January 9, 2004 and began investment operations on March 16, 2004. The manager of the Company is Quadravest Inc. (the Manager) and the investment manager is Quadravest Capital Management Inc. (Quadravest). All shares outstanding on December 1, 2009, the termination date of the Company, will be redeemed by the Company on that date.

2. Summary of significant accounting policies

These financial statements, prepared in accordance with Canadian generally accepted accounting principles, include estimates and assumptions by management that affect the reported amount of assets, liabilities, income and expenses during the reporting periods. The following is a summary of the significant accounting policies followed by the Company. Actual results could differ from these estimates.

Valuation of investments

Investments are recorded in the financial statements at their market values at the end of the period, determined as follows:

- Shares or other securities for which market quotations are readily available are valued at the closing sale price or, if there is no sale price, the average of the closing bid and ask prices. Shares or other securities for which market quotations are not readily available are valued at fair market values as determined by the Manager.
- Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

Investment transactions and income recognition

- Investment transactions are accounted for on the trade date.
- Realized gains and losses on investment sales and unrealized appreciation or depreciation in investment values are calculated on the average cost basis.
- Option fees paid or received are deferred and included in investments on the statements of financial position. Realized capital gains or losses are recognized in the statements of operations when options are exercised, expire or are closed out.
- Deferred gains and losses on options are recognized in investments and as a component of net unrealized appreciation (depreciation) in the value of investments in shareholders' equity.
- Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned.
- Net realized gains and losses on investments include net realized gains or losses from foreign currency changes.

Dividend 15 Split Corp.

Notes to Financial Statements

For the six month period ending May 31, 2006 and 2005 (unaudited)

3. Preferred shares

The Company is authorized to issue an unlimited number of Preferred shares.

<u>Issued and outstanding</u>	May 31, 2006	May 31, 2005
9,615,000 Preferred shares (2005-8,400,000)	<u>\$96,150,000</u>	<u>\$84,000,000</u>

	2006	2005
<u>Preferred share transactions</u>		
Beginning of period	8,400,000	8,400,000
Issued during the period	<u>1,215,000</u>	<u>-</u>
End of period	<u>9,615,000</u>	<u>8,400,000</u>

A total of 1,215,000 Preferred shares were issued at \$10.75 per share during the period. A total of \$911,250 representing the premium received above the par value of the Preferred shares was accounted for as Contributed surplus. Preferred shares are entitled to fixed, cumulative monthly cash dividends of \$0.04375 per Preferred share. All Preferred shares outstanding on December 1, 2009 will be redeemed by the Company on that date. For accounting purposes, the Preferred shares have been presented as liabilities in the financial statements in accordance with Section 3860 of the CICA Handbook.

Preferred shares trade under the symbol "DFN.PR.A" on the Toronto Stock Exchange (TSX). Preferred shares trading price on the TSX was \$10.56 as at May 31, 2006 (\$10.70- May 31, 2005). Preferred shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Preferred share and a Class A share (together, a "unit") in the month of August in each year will be entitled to receive an amount equal to the net asset value per unit on the last day of August. Preferred shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. The net asset value per unit as at May 31, 2006 was \$28.11 (May 31, 2005 - \$25.64). Under the terms of a Recirculation Agreement, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Preferred shares or Class A shares tendered for retraction.

The Preferred shares rank in priority to the Class A shares with respect to the payment of dividends. Preferred shares rank in priority to the Class A shares upon termination of the Company.

4. Class A shares and Class B shares

Authorized

An unlimited number of Class A shares
1,000 Class B shares

<u>Issued and outstanding</u>	May 31, 2006	May 31, 2005
9,615,000 Class A shares (2005 -8,400,000)	\$135,743,225	\$115,420,000
1,000 Class B shares	<u>\$1,000</u>	<u>\$1,000</u>
	<u>\$135,744,225</u>	<u>\$115,421,000</u>

Dividend 15 Split Corp.

Notes to Financial Statements

For the six month period ending May 31, 2006 and 2005 (unaudited)

	2006	2005
<u>Class A share transactions</u>		
Beginning of period	8,400,000	8,400,000
Issued during the period	<u>1,215,000</u>	<u>-</u>
End of period	9,615,000	8,400,000

Class A shares were originally issued at \$15 per share. On Dec 29, 2005, a secondary offering resulted in the issue of 1,140,000 Class A shares at \$18.25 per share for gross proceeds of \$20,805,000. An additional 75,000 shares were issued on January 19, 2006 for gross proceeds of \$2,175,000. Agents' fees of \$1,500,525 and filing fees of \$350,000 were incurred in connection with this offering resulting in net proceeds of \$20,323,225. Class A share distributions are targeted at \$0.10 per month. All Class A shares outstanding on December 1, 2009 will be redeemed by the Company on that date.

Class A shares trade under the symbol "DFN" on the Toronto Stock Exchange (TSX). Class A shares trading price on the TSX was \$16.51 as at May 31, 2006 (\$14.80-May 31, 2005). Class A shares may be surrendered at any time for retraction at specified retraction amounts, but will be retracted only on the last day of each month. Shareholders who concurrently retract a Class A share and an Preferred share (together, a "unit") in the month of August in each year will be entitled to receive an amount equal to the net asset value per unit on the last day of August. Class A shares retracted in any other month will receive a retraction price based on a discounted specified retraction formula. The net asset value per unit as at May 31, 2006 was \$28.11 (May 31, 2005 - \$25.64). Under the terms of a Recirculation Agreement, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Preferred shares or Class A shares tendered for retraction.

The Preferred shares rank in priority to the Class A shares with respect to the payment of dividends. Upon the termination of the Company, Class A shareholders will receive an amount equal to the net asset value per unit less \$10 (the redemption value of the Preferred shares).

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of \$1.00 per share. Class B shareholders are entitled to one vote per share. On March 16, 2004, the Company issued 1,000 Class B shares to Quadravest Capital Management Inc., the Company's investment manager, for cash consideration of \$1,000.

5. Expenses

The Company is responsible for all expenses incurred in connection with the operation and administration of the Company, including, but not limited to, ongoing custodian, transfer agent, legal and audit expenses.

Pursuant to the administration agreement, the Manager is entitled to an administration fee payable monthly in arrears at an annual rate of 0.10% of the net assets of the Fund, which includes the outstanding Preferred shares, calculated as at each monthly valuation date and an amount equal to the service fee payable to dealers on the Class A Shares at a rate of 0.50% per annum.

Pursuant to the terms of the investment management agreement, Quadravest is entitled to a base management fee payable in arrears at an annual rate equal to 0.65% of the net assets of the Company which include the outstanding Preferred shares, calculated as at each monthly valuation date. In addition, Quadravest is entitled to receive a performance fee subject to the achievement of certain pre-established total return thresholds.

Total management fees of \$1,030,476 (May 31, 2005 - \$801,925), incurred during, the period include the administration fee and base management fee.

Dividend 15 Split Corp.

Notes to Financial Statements

For the six month period ending May 31, 2006 and 2005 (unaudited)

5. Expenses (continued)

Total brokerage commissions paid during the period by the Company for its portfolio transactions was \$53,388 (2005-\$25,941).

6. Distributions

The Company's investment objectives are to provide steady monthly distributions to both the Preferred and Class A shareholders while returning the original issue price to each shareholder on the termination date of the Company on December 1, 2009.

Distributions per share were as follows:

	May 31, 2006	May 31, 2005
Preferred shares	\$0.2625	\$0.2625
Class A shares	\$0.85	\$0.60

7. Income Taxes

The Company is a mutual fund corporation as defined in the Income Tax Act (Canada) (the Act) and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. Also, the Company is generally subject to a tax of 33-1/3% under Part IV of the Act on taxable dividends received in the year. This tax is fully refundable upon payment of sufficient dividends.

The Company is also a financial intermediary corporation as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable preferred shares.

8. Financial instruments and risk management

The fair values of the Company's assets and liabilities are affected by changes in interest rates and equity markets. The Company manages these risks through the use of various risk limits and trading strategies.

9. Comparative financial statements

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2006 financial statements and the new reporting requirements of National Instrument 81-106 Investment Fund Continuous Disclosure.

Notes

Notes

Quadravest Capital Management Inc.

Quadravest Capital Management Inc. was formed in 1997 and is focused on the creation and management of enhanced yield products for retail investors. Guided by four key principles, Quadravest sets attainable investment objectives that allow the team to stay focused on a long-term investment strategy.

The four principles – innovation in financial products, discipline in investment management, solid results for investors, and excellence in client service – form the foundation of Quadravest. Each member of the firm's tight-knit team is committed to upholding these principles, ensuring a coherence and dedication that is unique to Quadravest.

Quadravest's investment strategy combines equity investments with covered call writing. Quadravest has completed initial public offerings for fifteen products in excess of \$2.0 billion.

Board of Directors

Wayne Finch,
Chairman and
Chief Investment Officer

Peter Cruickshank,
Managing Director and
Chief Financial Officer

Laura Johnson,
Managing Director and
Portfolio Manager

William Thornhill,
President, William C.
Thornhill Consulting Inc.

Michael W. Sharp
Blake, Cassels & Graydon LLP

John Steep
Consultant

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